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Royal London Global Equity Select Fund

Quarterly Investment Report

31 March 2025

Quarterly Report

The fund as at 31 March 2025

The purpose of this report is to provide an update on the Royal London Global Equity Select Fund. The report has been produced by Royal London Asset Management. The report starts with a summary dashboard showing key information about the fund. A glossary is located at the end of the report covering the description of some of the more technical terms used within the report. All data is as at the report date unless otherwise stated.

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The fund

Fund performance objective and benchmark

The Fund's investment objective is to achieve capital growth over the long term, which should be considered as a period of 7-plus years, by predominantly investing in the shares of companies globally that are listed on a stock exchange. The Fund's performance target is to outperform, after the deduction of charges, the MSCI World Net Total Return Index GBP (the "Index") by 2.5% per annum over rolling 3-year periods. The Index is considered an appropriate benchmark for the Fund's performance, as the Fund's potential investments will predominantly be included in the Index. In addition to the benchmark for the Fund's performance as noted above (the "Index"), the IA Global sector is considered an appropriate benchmark for performance comparison.

Fund value

	Total £m
31 March 2025	574.90

Fund analytics

	Fund
Fund launch date	10 October 2017
Fund base currency	GBP
Benchmark	MSCI World Net Total Return Index
Number of holdings	39
Active share (%)	77.1
Tracking error (%)	4.6

Ex-post tracking error calculated 3 years to 31 March 2025 using EOD prices. Please refer to the glossary for a description of the tracking error used.

Performance and activity

Performance

	Fund (%)	Benchmark (%)	Relative (%)
Quarter	(4.83)	(4.71)	(0.12)
1 Year	2.18	4.76	(2.58)
3 Years (p.a.)	13.03	8.29	4.74
5 Years (p.a.)	21.31	15.19	6.12
Since inception (p.a.)	16.32	10.88	5.44

Past performance is not a guide to future performance. Please refer to the Glossary for the basis of calculation and impact of fees. Performance and since inception date based on M Acc GBP. Source: Royal London Asset Management; Gross performance; Since inception date of the share class is 5 March 2018.

Performance commentary

The portfolio outperformed its benchmark index during the first quarter of the year, but it was not immune to the volatility affecting global markets and fell in value.

The outperformance was mainly the result of stock picking. In particular, selections within the financials and healthcare sectors performed well. Financial stocks performed relatively well amid signs that interest rates would remain higher for longer, thereby potentially enhancing the profitability of companies in the sector. Healthcare stocks rebounded from previous weakness at the tail end of last year and as investors came to appreciate the relatively stable revenues of many companies in the sector.

Given the prevailing backdrop of a rotation away from technology stocks and into some of the more unloved parts of the market that represent what could be characterised as 'value' sectors, it was not a surprise that companies in the Accelerating portion of the Lifecycle underperformed. Meanwhile, companies in the Mature and Turnaround phases of their Life Cycle produced stronger returns.

Looking at specific stocks, one of the best performers was Safran, which is an industry-leading aerospace business currently residing in the Compounding segment of the corporate Life Cycle. Safran manufactures the engines used in narrowbody commercial planes such as the Airbus A320/21 and Boeing 737 MAX and is a market leader in a highly concentrated market. Its defence business has also benefited from the rise in government spending in this area since Russia invaded Ukraine. Furthermore, the company has embarked on a new share buy-back programme and has also benefited from other positive results among other aerospace companies, which highlight ongoing strong global demand.

Progressive Corp also performed well. The company is a US auto insurance group currently in the Accelerating portion of the corporate Life Cycle. Results were reported at the end of January, and shares have since climbed as these were well received. Notably, five million policies were added in 2024 compared to 2023, as growth continues to exceed expectations. Progressive continues to track well against our investment thesis milestones, and the fundamental wealth creation characteristics remain strong.

Within the financials sector, Brown & Brown was the portfolio's top performer. The company is a US insurance broker in the Compounding Life Cycle phase that offers a wide range of insurance and risk management solutions. Operating in a highly fragmented industry, Brown & Brown has a track record of historic wealth creation, primarily through acquisitions. Quarterly results were reported at the end of January, and the market initially seemed to react negatively to the outlook given for 2025, with growth expected to moderate. However, shares have since

Performance and activity

Performance commentary (continued)

rallied, which we deem to be a better reflection of results that were, on the whole, positive against our investment thesis milestones.

On the downside, the holding in Taiwan Semiconductor Manufacturing Co (TSMC) was the biggest negative performer for the fund. The company, which is in the Accelerating phase of the Life Cycle suffered as investors became more pessimistic about the company's future following the release of DeepSeek AI, which weighed on sentiment towards future semiconductor capital expenditure. However, the fundamentals of the business remain very strong, and TSMC is progressing well against our milestones as the leader in chip production necessary for future AI applications, with strong revenue visibility for the next few years.

The holdings in Microsoft and Amazon detracted from returns, as they were caught up in the technology mega-cap sell off. Looking at Microsoft, it is currently in the Accelerating phase of the corporate Life Cycle and reported its results at the end of January, which elicited a slight negative reaction from investors due to weaker-than-expected growth from Azure (the cloud division) and lower earnings guidance. Microsoft, however, continues to perform well against our milestones and investment thesis. Meanwhile, Amazon, which is in the Compounding phase of the Life Cycle, was also a victim of the downturn in sentiment towards technology stocks, but also continues to make good progress towards our investment thesis and we retain our position.

The holding in Alphabet detracted from returns, suffering from a downturn in sentiment after Chinese technology startup DeepSeek released a low-cost AI model that could threaten the revenues of US competitors. There were also concerns that Alphabet is facing increasing regulatory hurdles and that its advertising revenues could be affected by disruptions to the global economy. We remain positive on Alphabet's investment case. Its current valuation offers a significant margin of safety, while the company boasts a strong balance sheet and offers multiple drivers for future wealth creation.

Performance and activity

Top 10 holdings

	Weighting (%)
MICROSOFT CORP	6.73
AMAZON COM INC	5.45
VISA INC CLASS A	4.80
UNITEDHEALTH GROUP INC	4.18
NVIDIA CORP	4.13
CONSTELLATION SOFTWARE INC	4.05
SAFRAN SA	3.83
PROGRESSIVE CORP	3.67
WOLTERS KLUWER NV	3.58
ALPHABET INC CLASS A	3.45
Total	43.90

Fund activity

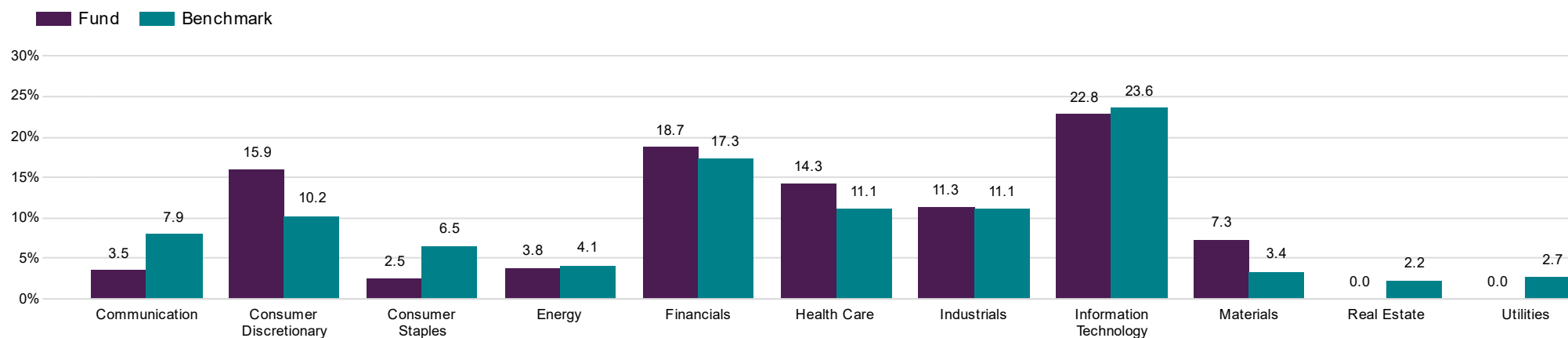
Within the healthcare sector we sold the position in Roche, which had performed well for the portfolio in recent months. We established a position in Merck & Co. The healthcare company is in the Slowing & Maturing phase of the Life Cycle. The market is pricing in a dramatic downturn in returns given its leading drug Keytruda is facing loss of exclusivity in 2028. However, we think investors underappreciate Merck's ability to beat the fade in earnings, specifically from its existing pipeline of assets and its proven track record in drug development and commercialisation.

We purchased Broadcom, which is in the Accelerating Life Cycle phase. The company has created a unique platform of AI, networking and software infrastructure assets. It has a strong history of capital allocation and should see returns accelerate given the step-change in demand for custom silicon. Recent weakness in shares leaves valuation in-line with levels before they outlined the \$60-90 billion serviceable addressable market from their three largest customers. Management's capital allocation prowess gives us confidence any AI windfall could drive sustained higher returns.

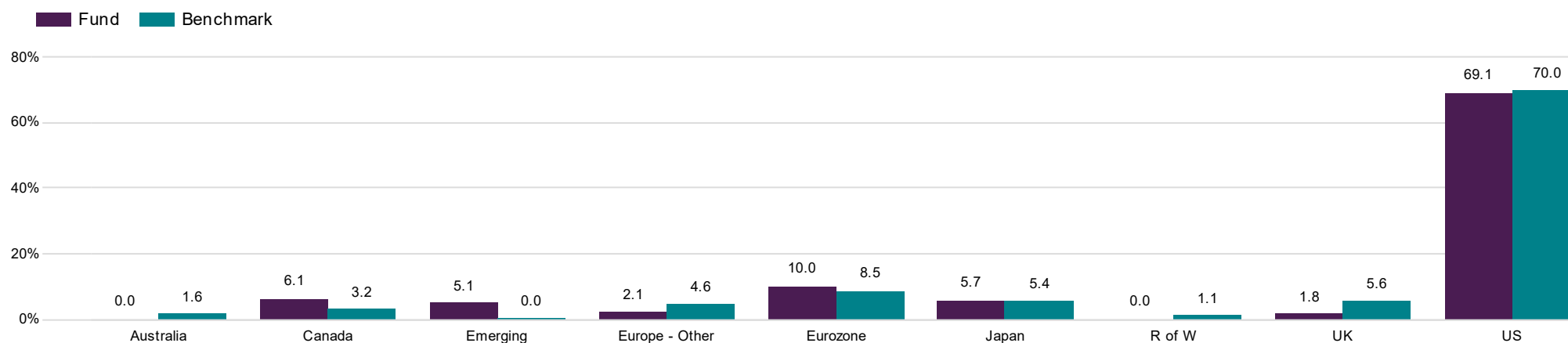
We believe that our approach of diversifying the strategies across broad range of companies from different sectors and stages of their Life Cycle will allow performance to continue to be driven more by the success of our hunting for superior shareholder wealth creating companies with undervalued long-term cash flows than by the prevailing winds of the macroeconomy, or factors such as growth or value styles being in vogue. During the quarter, the team continued to manage the portfolio in line with the investment guidelines.

Fund breakdown

Sector weights



Regional weights



Fund Engagement

Engagement definition

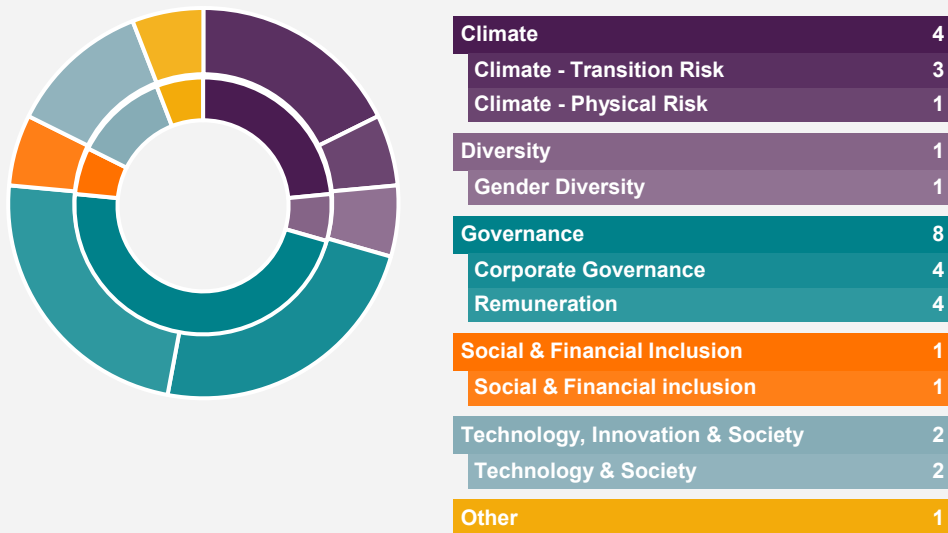
Engagement is active dialogue with investee companies (or other entities). There are two types: engagement for information, which is dialogue as part of investment research or ongoing monitoring, without specific objectives for change, and engagement for change, which is purposeful dialogue to influence positive change, with defined objectives and demonstrable outcomes.

Engagements

Engagement activity	Fund 3 months	Fund 12 months
Number of entities engaged	11	25
Number of engagements	14	71

This is an estimate. Some engagements at the issuer level may not have been attributed to the specific bond held in the fund, resulting in a lower number of engagement activities.

Total engagements by theme and topic



The numbers of engagements and themes/topics discussed may differ where a single engagement covers multiple themes/topics.

Engagement focus

Firm-wide engagement activity is centred around six themes which we have identified in consultation with our clients. These are: climate change; nature and biodiversity; health; governance and corporate culture; social and financial inclusion; innovation, technology and society. Portfolio level engagements are not thematic and are focussed on issues specific to managing the portfolio and meeting the investment objective.

Engagement data represents all engagements undertaken at both firm and portfolio level across Royal London Asset Management, and may not be limited to those undertaken solely for the purpose of managing the fund.

Fund Engagement

Engagement outcomes

Nvidia Corporation – Ethical and sustainable AI

Purpose:

We participated in an ESG investor call hosted by Nvidia, an accelerated computing and AI technology company. Our goal was to gain insights into Nvidia's approach to sustainable and ethical AI. In late November 2024, we had sent an engagement letter to the company, enquiring about its practices and strategies.

Outcome:

Nvidia highlighted the energy efficiency of its accelerated computing platform, which achieves a 96% reduction in energy inference costs. The company is on track to achieve 100% renewable energy by 2025, with renewables increasing from 44% to 76% in 2024. Nvidia plans to publish a Scope 3 GHG protocol-aligned disclosure. The company is collaborating with customers and suppliers on decarbonisation. Additionally, Nvidia is developing a Climate Transition Plan and conducting double materiality assessments to inform its sustainability strategy. The company also discussed the safety measures within its AI Foundry platform, its collaboration with customers on responsible AI practices and its governance strategies, including the AI ethics committee. The company's sustainability reporting includes human rights compliance and audits by the Responsible Business Alliance (RBA).

Nvidia is part of our wider Sustainable and Ethical AI engagement programme. We will be working on identifying best practices to drive companies to implement, demonstrate and publicly disclose ethical AI principles and its environmental impact.

Safran SA – Net zero

Purpose:

As part of our Net Zero Stewardship Programme (NZSP), we have committed to engaging with our top 50% financed emissions. We met with Safran, an aerospace company, to discuss its climate strategy and provide feedback based on our Climate Transition Assessment.

Outcome:

Safran's next report will be Corporate Sustainability Reporting Directive (CSRD)-compliant, detailing capital allocation for climate goals and emissions reduction targets. While the company engages suppliers to improve climate strategies, switching suppliers is difficult due to long certification times, limiting the effectiveness of these engagements. Disappointed with the current supply of Sustainable Aviation Fuel (SAF), the company is advocating for supportive policies through industry associations. During the meeting, we asked how defence policy might impact the company's approach to climate. Safran confirmed that although the defence segment is included in climate commitments, national security will take precedence over carbon emissions when necessary.

Fund Engagement

Engagement outcomes

Visa Inc – Ethical and sustainable AI

Purpose:

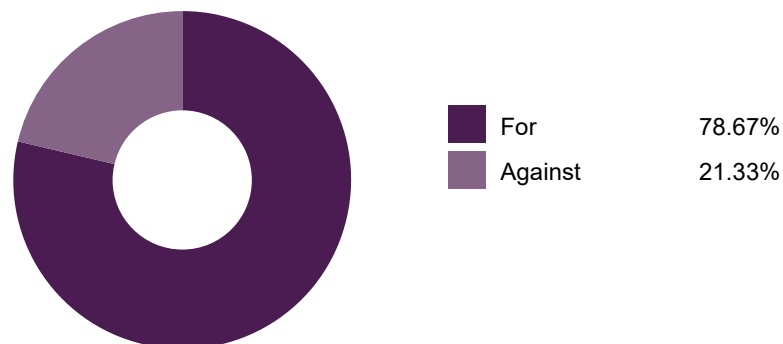
We initiated an engagement with Visa, a global payments company, to better understand its approach to sustainable and ethical AI. This meeting was in response to a questionnaire we sent to the company.

Outcome:

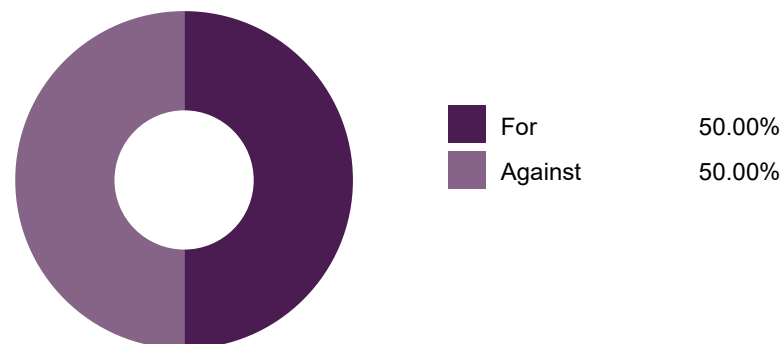
From the meeting, we gained confidence in Visa's approach to sustainable and ethical AI. Visa demonstrated its expertise in AI governance, aligning with the EU AI Act and US National Institute of Standards and Technology (NIST) standards. Since 2017, the company has tracked generative AI and enhanced its governance to ensure safety and compliance. The company's AI systems undergo thorough reviews and encourage experimentation within secure zones. Its governance process includes regular assessments and a dedicated model risk management team. Visa also regularly tests AI system security and robustness. The company is committed to transparency and fairness, conducting safety testing for bias and ensuring compliance with ethical standards. Additionally, Visa aims to achieve net zero targets by 2040, using clean electricity for data centres and partnering with suppliers to meet sustainability goals and monitor its environmental footprint.

Fund Voting

Total proxy voting activity



Executive remuneration voting activity



Notable votes

Apple Inc

Advisory Vote on Executive Compensation - against: Whilst we are cognisant of the company's size and performance, we retain our concerns over the overall quantum of awards granted to the CEO and would prefer to see more than a single performance measure under the LTIP.

Shareholder Proposal Regarding Abolishing Inclusion and Diversity Program and Policies - against: The proponent has not provided sufficient disclosure to justify the removal of the company's diversity programs and policies.

Tyson Foods Inc

Elect Les R. Baledge - against: The nominee is not independent and serves on the Nominating Committee that lacks sufficient independence. Moreover, the nominee is a member of the E&S Committee, and the company has not clearly disclosed its commitment to assess climate risks. We would welcome further engagement to discuss the aforementioned issues.

Elect Mike D. Beebe - against: The nominee is a member of the E&S Committee, and the company has not clearly disclosed its commitment to assess climate risks. We would welcome further engagement to discuss the aforementioned issues.

Elect David J. Bronczek - against: The nominee serves as chair of the nominating committee and the Company has not disclosed a policy requiring women and minorities to be included in any new executive-level recruitment (Rooney Rule or equivalent). Moreover, the company maintains a multi-class share capital structure with unequal voting rights and has not provided a reasonable time-based sunset provision on the structure.

Finally, the nominee chairs the E&S Committee, and the company has not clearly disclosed its commitment to assess climate risks. We would welcome further engagement to discuss the aforementioned issues.

Fund Voting

Notable votes

Tyson Foods Inc

Elect Maria N. Martinez - against: The nominee is a member of the E&S Committee, and the company has not clearly disclosed its commitment to assess climate risks. We would welcome further engagement to discuss the aforementioned issues.

Elect Kate B. Quinn - against: The nominee is a member of the E&S Committee, and the company has not clearly disclosed its commitment to assess climate risks. We would welcome further engagement to discuss the aforementioned issues.

Visa Inc

Advisory Vote on Executive Compensation - against: There are long-standing concerns over the discretionary nature of the bonus plan, which can call into question the link between pay and performance. We would also prefer to see longer performance periods for performance share awards.

Elect Denise M. Morrison - against: The nominee serves as Chair of the Remuneration Committee, and we have long-standing concerns with remuneration at the company.

Shareholder proposal regarding mandatory director resignation policy - for: The adoption of this proposal would benefit shareholders by promoting board accountability and ensuring responsiveness to shareholder concerns.

Market commentary

The year kicked off with relative stability following a turbulent fourth quarter of 2024, with the global economy seeing modest growth and central banks easing monetary policy. As the quarter progressed, however, volatility became heightened, primarily due to elevated policy uncertainty in the US, with President Donald Trump pivoting away from Europe; the spectre of aggressive tit-for-tat tariffs; and Europe's fiscal regime change, led by Germany looking to alter decades of fiscal policy stability and ramp up spending.

The result of this uncertainty was global equity indices succumbing to weakness, led by the US market, which posted a torrid quarter as technology stocks experienced a dramatic sell-off following news of a new competitor in the AI industry: China's DeepSeek.

From a sector perspective, most of the unwind has happened in AI-related growth names. These companies face slowing rates of expansion, rising competition from China and were the most at risk from a downturn in sentiment given how well loved these stocks have been over the past two years. Consumer discretionary stocks also suffered from concerns that stubborn inflation and declining growth prospects would hit spending.

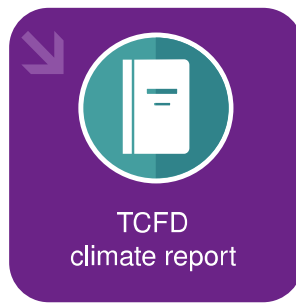
European and UK stocks fared much better, posting positive total returns for the three months. In Asia, markets were negatively affected by concerns about the effects of US tariffs and a potential trade war. During the fourth quarter, the MSCI World Growth Index posted a loss of 8.71% while the MSCI World Value Index posted a gain of 3.87%.

Most major central banks are running with interest rates above neutral, but increasingly not by much. If growth remains positive but unimpressive and if inflation reassures somewhat then central banks can continue to cut towards neutral. But stickier than expected inflation, substantial policy uncertainty, and rates being closer to neutral suggests that at least some slowing of the pace makes sense beyond just the US.

The price of WTI crude oil rose 0.87% over the quarter to \$71.71 a barrel, while copper futures rose 22.23% in US dollar terms.

Further Information

Please click on the links below for further information:



Find out more

In an uncertain geopolitical and economic environment, we recognise the importance of keeping our clients updated on our current investment thinking.

Articles, videos, podcasts and webinars giving the latest views of our investment experts can be found in the Our Views section of www.rlam.com, including regular updates from our Fixed Income, Global Equity, Sustainable and Multi Asset teams.

Disclaimers

Important information

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Issued in April 2025 by Royal London Asset Management Limited, 80 Fenchurch Street, London EC3M 4BY. Authorised and regulated by the Financial Conduct Authority, firm reference number 141665. A subsidiary of The Royal London Mutual Insurance Society Limited.

The Fund is a sub-fund of Royal London Equity Funds ICVC, an open-ended investment company with variable capital with segregated liability between sub-funds, incorporated in England and Wales under registered number IC000807.

The Authorised Corporate Director (ACD) is Royal London Unit Trust Managers Limited, authorised and regulated by the Financial Conduct Authority, with firm reference number 144037.

For more information on the fund or the risks of investing, please refer to the Prospectus or Key Investor Information Document (KIID), available via the relevant Fund Information page on www.rlam.com.

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Risks and Warnings

Investment risk

The value of investments and any income from them may go down as well as up and is not guaranteed. Investors may not get back the amount invested.

Concentration risk

The price of Funds that invest in a reduced number of holdings, sectors, or geographical areas may be more heavily affected by events that influence the stockmarket and therefore more volatile.

EPM techniques risk

The Fund may engage in EPM techniques including holdings of derivative instruments. Whilst intended to reduce risk, the use of these instruments may expose the Fund to increased price volatility.

Exchange rate risk

Changes in currency exchange rates may affect the value of your investment.

Liquidity risk

In difficult market conditions the value of certain fund investments may be difficult to value and harder to sell, or sell at a fair price, resulting in unpredictable falls in the value of your holding.

Emerging markets risk

Investing in Emerging Markets may provide the potential for greater rewards but carries greater risk due to the possibility of high volatility, low liquidity, currency fluctuations, the adverse effect of social, political and economic instability, weak supervisory structures and accounting standards.

Counterparty risk

The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.

Performance to 31 March 2025

Cumulative (%)

	3 Month	6 Month	1 Year	3 Years	5 Years	3 Years (p.a.)	5 Years (p.a.)
Fund (gross)	(4.83)	0.93	2.18	44.45	162.88	13.03	21.31
Fund (net)	(5.00)	0.58	1.46	41.42	153.75	12.23	20.46

Annualised (%)

Year on year performance (%)

	31/03/2024 - 31/03/2025	31/03/2023 - 31/03/2024	31/03/2022 - 31/03/2023	31/03/2021 - 31/03/2022	31/03/2020 - 31/03/2021
Fund (gross)	2.18	37.02	3.17	26.32	44.07
Fund (net)	1.46	36.05	2.45	25.43	43.05

Past performance is not a guide to future performance. The impact of fees or other charges including tax, where applicable, can be material on the performance of your investment.

Source: RLAM as at 31 March 2025. All figures are mid-price to mid-price for the Royal London Global Equity Select Fund M Acc GBP share class.

Glossary

Active share

Active share is a measure used to assess the degree of difference between the portfolio's holdings and its benchmark.

Fund value

Total value of the fund as of the last business day of the calendar month. The fund value is as at close of business and on a mid-price basis.

Number of holdings

Total number of unique holdings of the Fund excluding cash, currency and derivatives.

Performance

Official Fund performance is shown on a mid-to-mid price basis, gross of fees and taxes, with gross income reinvested unless otherwise stated. Supplementary end of day performance has also been provided at fund level in order to show a comparison vs the benchmark which is also priced at end of day.

Regional weights

Breakdown of holdings by country of risk relative to the benchmark index and grouped using RLAM's proprietary regional classification scheme.

Sector weights

Breakdown of holdings by GICS (Global Industry Classification Standard) sector relative to the benchmark index.

Top 10 holdings

Top 10 assets held by market value, excluding derivatives and cash.

Tracking error

Tracking error indicates how closely a fund follows its benchmark index. It is a measure of the risk in the fund that is due to active management decisions made by the fund manager. It is calculated on an ex-post basis (actual basis, post period end).